

COMMITTEE REPORT

MR. PRESIDENT:

The Senate Committee on Finance, to which was referred House Bill No. 1196, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 2, between lines 17 and 18, begin a new paragraph and
2 insert:
3 "SECTION 2. IC 4-33-12-6, AS AMENDED BY P.L.215-2001,
4 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2002]: Sec. 6. (a) The department shall place in the state
6 general fund the tax revenue collected under this chapter.
7 (b) Except as provided by ~~subsection~~ **subsections (c) and (d)** and
8 IC 6-3.1-20-7, the treasurer of state shall quarterly pay the following
9 amounts:
10 (1) One dollar (\$1) of the admissions tax collected by the licensed
11 owner for each person embarking on a riverboat during the
12 quarter shall be paid to:
13 (A) the city in which the riverboat is docked, if the city:
14 (i) is ~~described in IC 4-33-6-1(a)(1) through~~
15 ~~IC 4-33-6-1(a)(4) or in IC 4-33-6-1(b);~~ **located in a county**
16 **having a population of more than one hundred ten**
17 **thousand (110,000) but less than one hundred fifteen**
18 **thousand (115,000); or**
19 (ii) is contiguous to the Ohio River and is the largest city in
20 the county; and

1 (B) the county in which the riverboat is docked, if the
2 riverboat is not docked in a city described in clause (A).

3 (2) One dollar (\$1) of the admissions tax collected by the licensed
4 owner for each person embarking on a riverboat during the
5 quarter shall be paid to the county in which the riverboat is
6 docked. In the case of a county described in subdivision (1)(B),
7 this one dollar (\$1) is in addition to the one dollar (\$1) received
8 under subdivision (1)(B).

9 (3) Ten cents (\$0.10) of the admissions tax collected by the
10 licensed owner for each person embarking on a riverboat during
11 the quarter shall be paid to the county convention and visitors
12 bureau or promotion fund for the county in which the riverboat is
13 docked.

14 (4) Fifteen cents (\$0.15) of the admissions tax collected by the
15 licensed owner for each person embarking on a riverboat during
16 a quarter shall be paid to the state fair commission, for use in any
17 activity that the commission is authorized to carry out under
18 IC 15-1.5-3.

19 (5) Ten cents (\$0.10) of the admissions tax collected by the
20 licensed owner for each person embarking on a riverboat during
21 the quarter shall be paid to the division of mental health and
22 addiction. The division shall allocate at least twenty-five percent
23 (25%) of the funds derived from the admissions tax to the
24 prevention and treatment of compulsive gambling.

25 (6) Sixty-five cents (\$0.65) of the admissions tax collected by the
26 licensed owner for each person embarking on a riverboat during
27 the quarter shall be paid to the Indiana horse racing commission
28 to be distributed as follows, in amounts determined by the Indiana
29 horse racing commission, for the promotion and operation of
30 horse racing in Indiana:

31 (A) To one (1) or more breed development funds established
32 by the Indiana horse racing commission under IC 4-31-11-10.

33 (B) To a racetrack that was approved by the Indiana horse
34 racing commission under IC 4-31. The commission may make
35 a grant under this clause only for purses, promotions, and
36 routine operations of the racetrack. No grants shall be made
37 for long term capital investment or construction and no grants
38 shall be made before the racetrack becomes operational and is

1 offering a racing schedule.

2 (c) With respect to tax revenue collected from a riverboat that
3 operates on Patoka Lake, the treasurer of state shall quarterly pay the
4 following amounts:

5 (1) The counties described in IC 4-33-1-1(3) shall receive one
6 dollar (\$1) of the admissions tax collected for each person
7 embarking on the riverboat during the quarter. This amount shall
8 be divided equally among the counties described in
9 IC 4-33-1-1(3).

10 (2) The Patoka Lake development account established under
11 IC 4-33-15 shall receive one dollar (\$1) of the admissions tax
12 collected for each person embarking on the riverboat during the
13 quarter.

14 (3) The resource conservation and development program that:

15 (A) is established under 16 U.S.C. 3451 et seq.; and

16 (B) serves the Patoka Lake area;

17 shall receive forty cents (\$0.40) of the admissions tax collected
18 for each person embarking on the riverboat during the quarter.

19 (4) The state general fund shall receive fifty cents (\$0.50) of the
20 admissions tax collected for each person embarking on the
21 riverboat during the quarter.

22 (5) The division of mental health and addiction shall receive ten
23 cents (\$0.10) of the admissions tax collected for each person
24 embarking on the riverboat during the quarter. The division shall
25 allocate at least twenty-five percent (25%) of the funds derived
26 from the admissions tax to the prevention and treatment of
27 compulsive gambling.

28 **(d) With respect to tax revenue collected from a riverboat that**
29 **operates from a county having a population of more than four**
30 **hundred thousand (400,000) but less than seven hundred thousand**
31 **(700,000), the treasurer of state shall quarterly pay the following**
32 **amounts:**

33 **(1) One dollar (\$1) of the admissions tax collected by the**
34 **licensed owner for each person embarking on a riverboat**
35 **during the quarter shall be paid to the city in which the**
36 **riverboat is docked.**

37 **(2) One dollar (\$1) of the admissions tax collected by the**
38 **licensed owner for each person embarking on a riverboat**

1 during the quarter shall be paid to the county in which the
2 riverboat is docked.

3 (3) Eight cents (\$0.08) of the admissions tax collected by the
4 licensed owner for each person embarking on a riverboat
5 during the quarter shall be paid to the county convention and
6 visitors bureau or promotion fund for the county in which the
7 riverboat is docked.

8 (4) Two cents (\$0.02) of the admissions tax collected by the
9 licensed owner for each person embarking on a riverboat
10 during the quarter shall be paid to the northwest Indiana law
11 enforcement training center.

12 (5) Fifteen cents (\$0.15) of the admissions tax collected by the
13 licensed owner for each person embarking on a riverboat
14 during a quarter shall be paid to the state fair commission for
15 use in any activity that the commission is authorized to carry
16 out under IC 15-1.5-3.

17 (6) Ten cents (\$0.10) of the admissions tax collected by the
18 licensed owner for each person embarking on a riverboat
19 during the quarter shall be paid to the division of mental
20 health and addiction. The division shall allocate at least
21 twenty-five percent (25%) of the funds derived from the
22 admissions tax to the prevention and treatment of compulsive
23 gambling.

24 (7) Sixty-five cents (\$0.65) of the admissions tax collected by
25 the licensed owner for each person embarking on a riverboat
26 during the quarter shall be paid to the Indiana horse racing
27 commission to be distributed as follows, in amounts
28 determined by the Indiana horse racing commission, for the
29 promotion and operation of horse racing in Indiana:

30 (A) To one (1) or more breed development funds
31 established by the Indiana horse racing commission under
32 IC 4-31-11-10.

33 (B) To a racetrack that was approved by the Indiana horse
34 racing commission under IC 4-31. The commission may
35 make a grant under this clause only for purses,
36 promotions, and routine operations of the racetrack. No
37 grants shall be made for long term capital investment or
38 construction, and no grants shall be made before the

1 **racetrack becomes operational and is offering a racing**
 2 **schedule.**

3 ~~(d)~~ **(e)** Money paid to a unit of local government under subsection
 4 (b)(1) through (b)(2), ~~or~~ subsection (c)(1), **or subsection (d)(1)**
 5 **through (d)(2):**

6 (1) must be paid to the fiscal officer of the unit and may be
 7 deposited in the unit's general fund or riverboat fund established
 8 under IC 36-1-8-9, or both;

9 (2) may not be used to reduce the unit's maximum levy under
 10 IC 6-1.1-18.5, but may be used at the discretion of the unit to
 11 reduce the property tax levy of the unit for a particular year;

12 (3) may be used for any legal or corporate purpose of the unit,
 13 including the pledge of money to bonds, leases, or other
 14 obligations under IC 5-1-14-4; and

15 (4) is considered miscellaneous revenue.

16 ~~(e)~~ **(f)** Money paid by the treasurer of state under ~~subsection~~
 17 **subsections (b)(3) or (d)(3)** shall be:

18 (1) deposited in:

19 (A) the county convention and visitor promotion fund; or

20 (B) the county's general fund if the county does not have a
 21 convention and visitor promotion fund; and

22 (2) used only for the tourism promotion, advertising, and
 23 economic development activities of the county and community.

24 ~~(f)~~ **(g)** Money received by the division of mental health and
 25 addiction under subsections (b)(5), ~~and~~ (c)(5), **and (d)(6):**

26 (1) is annually appropriated to the division of mental health and
 27 addiction;

28 (2) shall be distributed to the division of mental health and
 29 addiction at times during each state fiscal year determined by the
 30 budget agency; and

31 (3) shall be used by the division of mental health and addiction
 32 for programs and facilities for the prevention and treatment of
 33 addictions to drugs, alcohol, and compulsive gambling, including
 34 the creation and maintenance of a toll free telephone line to
 35 provide the public with information about these addictions. The
 36 division shall allocate at least twenty-five percent (25%) of the
 37 money received to the prevention and treatment of compulsive
 38 gambling.

SECTION 3. IC 4-33-13-5, AS AMENDED BY P.L.273-1999, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 5. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter to the following:

(1) Twenty-five percent (25%) of the tax revenue remitted by each licensed owner shall be paid:

(A) to the city that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of:

(i) a city described in IC 4-33-12-6(b)(1)(A); or

(ii) **a city located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000);**

(B) in equal shares to the counties described in IC 4-33-1-1(3), in the case of a riverboat whose home dock is on Patoka Lake; or

(C) to the county that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of a riverboat whose home dock is not in a city described in clause (A) or a county described in clause (B); and

(2) Seventy-five percent (75%) of the tax revenue remitted by each licensed owner shall be paid to the build Indiana fund lottery and gaming surplus account."

Page 2, between lines 17 and 18, begin a new paragraph and insert:

"SECTION 2. IC 6-1.1-3-8.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: **Sec. 8.5. (a) For purposes of this section, "construction in process" means tangible personal property not placed in service, as defined in rules of the department of local government finance for the assessment of personal property of a taxpayer other than a public utility company (as defined in IC 6-1.1-8-2).**

(b) The assessed value of construction in process is ten percent (10%) of the cost recorded on the taxpayer's books and records that is attributable to the personal property, including all expenses incurred in acquiring or producing the personal property."

1 Page 4, between lines 38 and 39, begin a new paragraph and insert:

2 "SECTION 6. IC 6-1.1-4-28.5, AS ADDED BY P.L.198-2001,
3 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 28.5. (a) Money assigned to a property
5 reassessment fund under section 27.5 of this chapter may be used only
6 to pay the costs of:

7 (1) the general reassessment of real property, including the
8 computerization of assessment records;

9 (2) payments to county assessors, members of property tax
10 assessment boards of appeals, or assessing officials under
11 IC 6-1.1-35.2;

12 (3) the development or updating of detailed soil survey data by
13 the United States Department of Agriculture or its successor
14 agency;

15 (4) the updating of plat books; and

16 (5) payments for the salary of permanent staff or for the
17 contractual services of temporary staff who are necessary to assist
18 county assessors, members of a county property tax assessment
19 board of appeals, and assessing officials.

20 (b) All counties shall use modern, detailed soil maps in the general
21 reassessment of agricultural land.

22 (c) The county treasurer of each county shall, in accordance with
23 IC 5-13-9, invest any money accumulated in the property reassessment
24 fund until the money is needed to pay general reassessment expenses.
25 Any interest received from investment of the money shall be paid into
26 the property reassessment fund.

27 (d) An appropriation under this section must be approved by the
28 fiscal body of the county after the review and recommendation of the
29 county assessor. However, in a county with an elected township
30 assessor under IC 36-6-5-1 in every township, the county assessor does
31 not review an appropriation under this section, and ~~only~~ the fiscal body
32 must approve an appropriation under this section **after review and**
33 **majority recommendation of the township assessors in the**
34 **county.**".

35 Page 14, line 14, delete "township assessor" and insert "**county**
36 **auditor**".

37 Page 14, line 16, delete "only if the county auditor and" and insert
38 "**unless**".

- 1 Page 14, line 17, delete "agree to transfer" and insert "**determines**
- 2 **to assume**".
- 3 Page 14, line 17, delete "auditor to the" and insert "**auditor.**".
- 4 Page 14, delete line 18.
- 5 Page 14, between lines 38 and 39, begin a new paragraph and insert:
- 6 "SECTION 10. IC 6-1.1-5.5-4.5, AS ADDED BY P.L.198-2001,
- 7 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 8 UPON PASSAGE]: Sec. 4.5. (a) The fiscal body of each county shall
- 9 establish a sales disclosure fund. The county auditor shall deposit into
- 10 the fund the money received under section 4 of this chapter. Money in
- 11 the sales disclosure fund may be expended only for:
- 12 (1) administration of this chapter;
- 13 (2) verification of the information contained on a sales disclosure
- 14 form;
- 15 (3) training of assessing officials; or
- 16 (4) purchasing computer software or hardware for a property
- 17 record system.
- 18 (b) **Except as provided in subsection (c),** the county fiscal body
- 19 shall appropriate the money in the sales disclosure fund for the
- 20 purposes stated in subsection (a) based on requests by assessing
- 21 officials in the county.
- 22 (c) **In a county containing a consolidated city, the county fiscal**
- 23 **body shall appropriate the money in the sales disclosure fund for**
- 24 **the purposes stated in subsection (a) based on a majority**
- 25 **recommendation of the township assessors in the county.**".
- 26 Page 15, line 28, delete "county assessor" and insert "**township**
- 27 **assessor in a county containing a consolidated city, or the county**
- 28 **assessor in any other county,**".
- 29 Page 15, line 30, after "conveyance;" insert "**and**".
- 30 Page 15, line 33, delete "assessment;" and insert "**assessment.**".
- 31 Page 15, between lines 33 and 34, begin a new paragraph and insert:
- 32 "**(d) The county auditor shall:**".
- 33 Page 15, line 34, delete "(4)" and insert "**(1)**".
- 34 Page 15, line 34, delete "penalty;" and insert "**penalty imposed**
- 35 **under this section;**".
- 36 Page 15, line 35, delete "(5)" and insert "**(2)**".
- 37 Page 15, line 37, delete "(6)" and insert "**(3)**".
- 38 Page 15, line 39, delete "(d)" and insert "**(e)**".

1 Page 15, after line 42, begin a new paragraph and insert:

2 "SECTION 12. IC 6-1.1-8-4.5 IS ADDED TO THE INDIANA
3 CODE AS A NEW SECTION TO READ AS FOLLOWS
4 [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: **Sec. 4.5. (a)**
5 **For purposes of this section, "construction in process" means**
6 **tangible personal property not placed in service, as defined in rules**
7 **of the department of local government finance for the assessment**
8 **of personal property of a public utility company.**

9 (b) **The assessed value of construction in process is ten percent**
10 **(10%) of the cost recorded on the public utility company's books**
11 **and records that is attributable to the personal property, including**
12 **all expenses incurred in acquiring or producing the personal**
13 **property."**

14 Page 17, between lines 33 and 34, begin a new paragraph and insert:

15 "SECTION 14. IC 6-1.1-12.1-4.5, AS AMENDED BY P.L.4-2000,
16 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 MARCH 1, 2002 (RETROACTIVE)]: Sec. 4.5. (a) For purposes of this
18 section, "personal property" means personal property other than
19 inventory (as defined in IC 6-1.1-3-11(a)).

20 (b) An applicant must provide a statement of benefits to the
21 designating body. The applicant must provide the completed statement
22 of benefits form to the designating body before the hearing specified in
23 section 2.5(c) of this chapter or before the installation of the new
24 manufacturing equipment or new research and development
25 equipment, or both, for which the person desires to claim a deduction
26 under this chapter. The state board of tax commissioners shall prescribe
27 a form for the statement of benefits. The statement of benefits must
28 include the following information:

29 (1) A description of the new manufacturing equipment or new
30 research and development equipment, or both, that the person
31 proposes to acquire.

32 (2) With respect to:

33 (A) new manufacturing equipment not used to dispose of solid
34 waste or hazardous waste by converting the solid waste or
35 hazardous waste into energy or other useful products; and

36 (B) new research and development equipment;
37 an estimate of the number of individuals who will be employed or
38 whose employment will be retained by the person as a result of

1 the installation of the new manufacturing equipment or new
 2 research and development equipment, or both, and an estimate of
 3 the annual salaries of these individuals.

4 (3) An estimate of the cost of the new manufacturing equipment
 5 or new research and development equipment, or both.

6 (4) With respect to new manufacturing equipment used to dispose
 7 of solid waste or hazardous waste by converting the solid waste
 8 or hazardous waste into energy or other useful products, an
 9 estimate of the amount of solid waste or hazardous waste that will
 10 be converted into energy or other useful products by the new
 11 manufacturing equipment.

12 With the approval of the state board of tax commissioners, the
 13 statement of benefits may be incorporated in a designation application.
 14 Notwithstanding any other law, a statement of benefits is a public
 15 record that may be inspected and copied under IC 5-14-3-3.

16 (c) The designating body must review the statement of benefits
 17 required under subsection (b). The designating body shall determine
 18 whether an area should be designated an economic revitalization area
 19 or whether the deduction shall be allowed, based on (and after it has
 20 made) the following findings:

21 (1) Whether the estimate of the cost of the new manufacturing
 22 equipment or new research and development equipment, or both,
 23 is reasonable for equipment of that type.

24 (2) With respect to:

25 (A) new manufacturing equipment not used to dispose of solid
 26 waste or hazardous waste by converting the solid waste or
 27 hazardous waste into energy or other useful products; and

28 (B) new research and development equipment;

29 whether the estimate of the number of individuals who will be
 30 employed or whose employment will be retained can be
 31 reasonably expected to result from the installation of the new
 32 manufacturing equipment or new research and development
 33 equipment, or both.

34 (3) Whether the estimate of the annual salaries of those
 35 individuals who will be employed or whose employment will be
 36 retained can be reasonably expected to result from the proposed
 37 installation of new manufacturing equipment or new research and
 38 development equipment, or both.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, whether the estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products can be reasonably expected to result from the installation of the new manufacturing equipment.

(5) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed installation of new manufacturing equipment or new research and development equipment, or both.

(6) Whether the totality of benefits is sufficient to justify the deduction.

The designating body may not designate an area an economic revitalization area or approve the deduction unless it makes the findings required by this subsection in the affirmative.

(d) ~~Except as provided in subsection (f), an owner of new manufacturing equipment whose statement of benefits is approved before May 1, 1991, is entitled to a deduction from the assessed value of that equipment for a period of five (5) years.~~ Except as provided in ~~subsections (f) and (i);~~ **subsection (h)**, an owner of new manufacturing equipment or new research and development equipment, or both, whose statement of benefits is approved after June 30, 2000, is entitled to a deduction from the assessed value of that equipment for the number of years determined by the designating body under subsection ~~(h); (g).~~ **(g).** Except as provided in ~~subsections~~ **subsection (f), and (g);** and in section 2(i)(3) of this chapter, the amount of the deduction that an owner is entitled to for a particular year equals the product of:

(1) the assessed value of the new manufacturing equipment or new research and development equipment, or both, in the year ~~that the equipment is installed;~~ **of deduction under the table set forth in subsection (e);** multiplied by

(2) the percentage prescribed in the table set forth in subsection (e).

(e) The percentage to be used in calculating the deduction under subsection (d) is as follows:

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
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1	1st	100%
2	2nd and thereafter	0%
3	(2) For deductions allowed over a two (2) year period:	
4	YEAR OF DEDUCTION	PERCENTAGE
5	1st	100%
6	2nd	50%
7	3rd and thereafter	0%
8	(3) For deductions allowed over a three (3) year period:	
9	YEAR OF DEDUCTION	PERCENTAGE
10	1st	100%
11	2nd	66%
12	3rd	33%
13	4th and thereafter	0%
14	(4) For deductions allowed over a four (4) year period:	
15	YEAR OF DEDUCTION	PERCENTAGE
16	1st	100%
17	2nd	75%
18	3rd	50%
19	4th	25%
20	5th and thereafter	0%
21	(5) For deductions allowed over a five (5) year period:	
22	YEAR OF DEDUCTION	PERCENTAGE
23	1st	100%
24	2nd	80%
25	3rd	60%
26	4th	40%
27	5th	20%
28	6th and thereafter	0%
29	(6) For deductions allowed over a six (6) year period:	
30	YEAR OF DEDUCTION	PERCENTAGE
31	1st	100%
32	2nd	85%
33	3rd	66%
34	4th	50%
35	5th	34%
36	6th	25%
37	7th and thereafter	0%
38	(7) For deductions allowed over a seven (7) year period:	

1	YEAR OF DEDUCTION	PERCENTAGE
2	1st	100%
3	2nd	85%
4	3rd	71%
5	4th	57%
6	5th	43%
7	6th	29%
8	7th	14%
9	8th and thereafter	0%
10	(8) For deductions allowed over an eight (8) year period:	
11	YEAR OF DEDUCTION	PERCENTAGE
12	1st	100%
13	2nd	88%
14	3rd	75%
15	4th	63%
16	5th	50%
17	6th	38%
18	7th	25%
19	8th	13%
20	9th and thereafter	0%
21	(9) For deductions allowed over a nine (9) year period:	
22	YEAR OF DEDUCTION	PERCENTAGE
23	1st	100%
24	2nd	88%
25	3rd	77%
26	4th	66%
27	5th	55%
28	6th	44%
29	7th	33%
30	8th	22%
31	9th	11%
32	10th and thereafter	0%
33	(10) For deductions allowed over a ten (10) year period:	
34	YEAR OF DEDUCTION	PERCENTAGE
35	1st	100%
36	2nd	90%
37	3rd	80%
38	4th	70%

1	5th	60%
2	6th	50%
3	7th	40%
4	8th	30%
5	9th	20%
6	10th	10%
7	11th and thereafter	0%

(f) **With respect to new manufacturing equipment and new research and development equipment installed before March 2, 2001, the deduction under this section is the amount that causes the net assessed value of the property after the application of the deduction under this section to equal the net assessed value after the application of the deduction under this section that results from computing:**

(1) the deduction under this section as in effect on March 1, 2001; and

(2) the assessed value of the property under 50 IAC 4.2, as in effect on March 1, 2001, or, in the case of property subject to IC 6-1.1-8, 50 IAC 5.1, as in effect on March 1, 2001.

Notwithstanding subsections (d) and (e), a deduction under this section is not allowed in the first year the deduction is claimed for new manufacturing equipment or new research and development equipment, or both, to the extent that it would cause the assessed value of all of the personal property of the owner in the taxing district in which the equipment is located (excluding personal property that is assessed as construction in process) to be less than the assessed value of all of the personal property of the owner in that taxing district (excluding personal property that is assessed as construction in process) in the immediately preceding year.

(g) If a deduction is not fully allowed under subsection (f) in the first year the deduction is claimed, then the percentages specified in subsection (d) or (e) apply in the subsequent years to the amount of deduction that was allowed in the first year.

(h) (g) For an economic revitalization area designated before July 1, 2000, the designating body shall determine whether a property owner whose statement of benefits is approved after April 30, 1991, is entitled to a deduction for five (5) or ten (10) years. For an economic

1 revitalization area designated after June 30, 2000, the designating body
 2 shall determine the number of years the deduction is allowed. However,
 3 the deduction may not be allowed for more than ten (10) years. This
 4 determination shall be made:

5 (1) as part of the resolution adopted under section 2.5
 6 of this chapter; or

7 (2) by resolution adopted within sixty (60) days after
 8 receiving a copy of a property owner's certified
 9 deduction application from the state board of tax
 10 commissioners. A certified copy of the resolution
 11 shall be sent to the county auditor and the state board
 12 of tax commissioners.

13 A determination about the number of years the deduction is allowed
 14 that is made under subdivision (1) is final and may not be changed by
 15 following the procedure under subdivision (2).

16 ~~(f)~~ **(h)** The owner of new manufacturing equipment that is
 17 directly used to dispose of hazardous waste is not entitled to the
 18 deduction provided by this section for a particular assessment year if
 19 during that assessment year the owner:

20 (1) is convicted of a violation under IC 13-7-13-3
 21 (repealed), IC 13-7-13-4 (repealed), or IC 13-30-6; or

22 (2) is subject to an order or a consent decree with
 23 respect to property located in Indiana based on a
 24 violation of a federal or state rule, regulation, or
 25 statute governing the treatment, storage, or disposal of
 26 hazardous wastes that had a major or moderate
 27 potential for harm."

28 Page 17, between lines 33 and 34, begin a new paragraph and
 29 insert:

30 "SECTION 16. IC 6-1.1-13-5 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. **This section**
 32 **does not apply to a county that contains a consolidated city.** A
 33 county assessor shall reduce or increase the assessed value of any
 34 tangible property in order to attain a just and equal basis of assessment
 35 between the taxpayers of the county.

36 SECTION 17. IC 6-1.1-13-6 IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. **This section**
 38 **does not apply to a county that contains a consolidated city.** A

1 county assessor shall inquire into the assessment of the classes of
 2 tangible property in the various townships of the county before July 1
 3 in the year in which the general reassessment is to commence. The
 4 county assessor shall make any changes, whether increases or
 5 decreases, in the assessed values which are necessary in order to
 6 equalize these values in and between the various townships of the
 7 county. In addition, the county assessor shall determine the percent to
 8 be added to or deducted from the assessed values in order to make a
 9 just, equitable, and uniform equalization of assessments in and between
 10 the townships of the county.".

11 Page 19, line 17, delete "If".

12 Page 19, delete lines 18 through 22.

13 Page 19, line 23, delete "assessment that would result from that
 14 agreement.".

15 Page 19, line 29, delete "If the" and insert "The".

16 Page 19, line 30, delete "disagrees with the assessment, the
 17 township".

18 Page 19, line 31, delete "assessor or county assessor".

19 Page 19, line 32, reset in roman "these".

20 Page 19, line 32, after "these" delete "the".

21 Page 19, line 32, delete "of disagreement".

22 Page 23, line 26, after "assessor" delete "." and insert "**or**
 23 **elected township assessor.**".

24 Page 23, between lines 28 and 29, begin a new paragraph and
 25 insert:

26 "SECTION 19. IC 6-1.1-15-16 IS ADDED TO THE INDIANA
 27 CODE AS A NEW SECTION TO READ AS FOLLOWS
 28 [EFFECTIVE UPON PASSAGE]: **Sec. 16. Notwithstanding any**
 29 **provision in the 2002 Real Property Assessment Manual and Real**
 30 **Property Assessment Guidelines for 2002-Version A, incorporated**
 31 **by reference in 50 IAC 2.3-1-2, a county property tax assessment**
 32 **board of appeals or the Indiana board shall consider all evidence**
 33 **relevant to the assessment of real property regardless of whether**
 34 **the evidence was submitted to the township assessor before the**
 35 **assessment of the property.**".

36 Page 26, between lines 9 and 10, begin a new paragraph and
 37 insert:

38 "SECTION 23. IC 6-1.1-18-9 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9. Notwithstanding the
 2 other provisions of this chapter, the proper officer or officers of a
 3 political subdivision may:

4 ~~(1) make an appropriation with respect to a contract for the~~
 5 ~~discovery of omitted property if the contract provides the payment for~~
 6 ~~the services performed is to be made from taxes or penalties collected~~
 7 ~~on the discovered property;~~

8 ~~(2) (1) reappropriate money recovered from erroneous or~~
 9 ~~excessive disbursements if the error and recovery are made within the~~
 10 ~~current budget year; or~~

11 ~~(3) (2) refund, without appropriation, money erroneously~~
 12 ~~received."~~

13 Page 39, between lines 18 and 19, begin a new paragraph and
 14 insert:

15 **"(f) Notwithstanding any other provision of law:**

16 **(1) a person who:**

17 **(A) is an officer or employee of an entity**
 18 **that contracts with a board of county**
 19 **commissioners under IC 6-1.1-36-12; and**

20 **(B) obtains confidential information under**
 21 **this section;**

22 **may not disclose that confidential information to**
 23 **any other person; and**

24 **(2) a person referred to in subdivision (1) must**
 25 **return all confidential information to the taxpayer**
 26 **not later than fourteen (14) days after the earlier**
 27 **of:**

28 **(A) the completion of the examination of**
 29 **the taxpayer's personal property return**
 30 **under IC 6-1.1-36-12; or**

31 **(B) the termination of the contract.**

32 SECTION 35. IC 6-1.1-35-11 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 11. (a) An assessing
 34 official, member of a county property tax assessment board of appeals,
 35 a state board member, or an employee of any assessing official, county
 36 assessor, or board shall immediately be dismissed from that position if
 37 ~~he the person~~ discloses in an unauthorized manner any information
 38 ~~which that~~ is classified as confidential under section 9 of this chapter.

(b) If an officer or employee of an entity that contracts with a board of county commissioners under IC 6-1.1-36-12 discloses in an unauthorized manner any information that is classified as confidential under section 9 of this chapter:

(1) the contract between the entity and the board is void as of the date of the disclosure;

(2) the entity forfeits all right to payments owed under the contract after the date of disclosure;

(3) the entity and its affiliates are barred for three (3) years after the date of disclosure from entering into a contract with a board under IC 6-1.1-36-12; and

(4) the taxpayer whose information was disclosed has a right of action for triple damages against the entity."

Page 39, line 21, after "commissioners" insert ", ".

Page 39, line 21, after "enters" insert "**county assessor, or elected township assessor**".

Page 39, line 35, delete "commissioners" and insert "**commissioners, county assessor, or elected township assessor**".

Page 39, between lines 36 and 37, begin a new paragraph and insert:

"SECTION 37. IC 6-1.5-5-1, AS ADDED BY P.L.198-2001, SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The Indiana board shall conduct impartial review of all appeals of final determinations of the department of local government finance made under the following:

(1) IC 6-1.1-8.

(2) IC 6-1.1-12.1.

(3) IC 6-1.1-14.

(4) IC 6-1.1-16.

(5) IC 6-1.1-26-2.

(b) Each notice of final determination issued by the department of local government finance under a statute listed in subsection (a) must give the taxpayer notice of:

(1) the opportunity for review under this section; and

(2) the procedures the taxpayer must follow in order to obtain review under this section.

1 (c) **Except as provided in subsections (e) and (f)**, in order to
 2 obtain a review by the Indiana board under this section, the taxpayer
 3 must file a petition for review with the appropriate county assessor
 4 within forty-five (45) days after the notice of the department of local
 5 government finance's action is given to the taxpayer.

6 (d) The county assessor shall transmit ~~the~~ **a** petition for review
 7 **under subsection (c)** to the Indiana board within ten (10) days after it
 8 is filed.

9 (e) **In order to obtain a review by the Indiana board of an**
 10 **appeal of a final determination of the department of local**
 11 **government finance under IC 6-1.1-8-30, the public utility**
 12 **company must follow the procedures in IC 6-1.1-8-30.**

13 (f) **In order to obtain a review by the Indiana board of an**
 14 **appeal of a final determination of the department of local**
 15 **government finance under IC 6-1.1-12.1-5.7(h), the person must**
 16 **follow the procedures in IC 6-1.1-12.1-5.7(h).".**

17 Page 39, between lines 36 and 37, begin a new paragraph and
 18 insert:

19 "SECTION 33. IC 6-3.1-13-2 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this
 21 chapter, "credit amount" means the amount agreed to between the
 22 board and applicant under this chapter, but not to exceed, **in the case**
 23 **of a credit awarded for a project to create new jobs in Indiana**, the
 24 incremental income tax withholdings attributable to the applicant's
 25 project.

26 SECTION 34. IC 6-3.1-13-13 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) The board
 28 may make credit awards under this chapter to foster job creation in
 29 Indiana **or, as provided in section 15.5 of this chapter, job retention**
 30 **in Indiana.**

31 (b) The credit shall be claimed for the taxable years specified
 32 in the taxpayer's tax credit agreement.

33 SECTION 35. IC 6-3.1-13-14 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. A person that
 35 proposes a project to create new jobs in Indiana may apply, **as**
 36 **provided in section 15 of this chapter**, to the board to enter into an
 37 agreement for a tax credit under this chapter. **A person that proposes**
 38 **to retain existing jobs in Indiana may apply, as provided in section**

1 **15.5 of this chapter, to the board to enter into an agreement for a**
 2 **tax credit under this chapter.** The director shall prescribe the form of
 3 the application.

4 SECTION 36. IC 6-3.1-13-15 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. **This section**
 6 **applies to an application proposing a project to create new jobs in**
 7 **Indiana.** After receipt of an application, the board may enter into an
 8 agreement with the applicant for a credit under this chapter if the board
 9 determines that all of the following conditions exist:

10 (1) The applicant's project will create new jobs that
 11 were not jobs previously performed by employees of
 12 the applicant in Indiana.

13 (2) The applicant's project is economically sound and
 14 will benefit the people of Indiana by increasing
 15 opportunities for employment **in Indiana** and
 16 strengthening the economy of Indiana.

17 ~~(3) There is at least one (1) other state that the~~
 18 ~~applicant verifies is being considered for the project.~~

19 ~~(4) A significant disparity is identified, using best~~
 20 ~~available data, in the projected costs for the~~
 21 ~~applicant's project compared to the costs in the~~
 22 ~~competing state, including the impact of the~~
 23 ~~competing state's incentive programs. The competing~~
 24 ~~state's incentive programs shall include state, local,~~
 25 ~~private, and federal funds available.~~

26 ~~(5) (3)~~ The political subdivisions affected by the
 27 project have committed significant local incentives
 28 with respect to the project.

29 ~~(6) (4)~~ Receiving the tax credit is a major factor in the
 30 applicant's decision to go forward with the project and
 31 not receiving the tax credit will result in the applicant
 32 not creating new jobs in Indiana.

33 ~~(7) (5)~~ Awarding the tax credit will result in an
 34 overall positive fiscal impact to the state, as certified
 35 by the budget agency using the best available data.

36 ~~(8) (6)~~ The credit is not prohibited by section 16 of
 37 this chapter.

38 SECTION 37. IC 6-3.1-13-15.5 IS ADDED TO THE

INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
[EFFECTIVE UPON PASSAGE]: **Sec. 15.5. This section applies to an application proposing to retain existing jobs in Indiana. After receipt of an application, the board may enter into an agreement with the applicant for a credit under this chapter if the board determines that all the following conditions exist:**

(1) The applicant's project will retain existing jobs performed by the employees of the applicant in Indiana.

(2) The applicant provides evidence that there is at least one (1) other competing site outside Indiana that is being considered for the project or for the relocation of jobs.

(3) A disparity is identified, using the best available data, in the projected costs for the applicant's project in Indiana compared with the costs for the project in the competing site.

(4) The applicant is engaged in research and development, manufacturing, or business services (as defined in the Standard Industrial Classification Manual of the United States Office of Management and Budget).

(5) The average compensation (including benefits) provided to the applicant's employees during the applicant's previous fiscal year is at least equal to the average compensation paid during that same period to all employees in the county in which the applicant's business is located.

(6) The applicant employs at least one hundred (100) employees in Indiana.

(7) The applicant has prepared a plan for the use of the credits under this chapter for:

(A) investment in facility improvements or equipment and machinery upgrades, repairs, or retrofits; or

(B) other direct business related investments, including but not limited to training.

(8) Receiving the tax credit is a major factor in the applicant's decision to go forward with the project, and not receiving the tax credit will increase the likelihood of the applicant reducing jobs in Indiana.

(9) Awarding the tax credit will result in an overall positive fiscal impact to the state, as certified by the budget agency using the best available data.

(10) The applicant's business and project are economically sound and will benefit the people of Indiana by increasing or maintaining opportunities for employment and strengthening the economy of Indiana.

(11) The communities affected by the potential reduction in jobs or relocation of jobs to another site outside Indiana have committed at least one dollar (\$1) of local incentives with respect to the retention of jobs for every three dollars (\$3) in credits provided under this chapter. For purposes of this subdivision, local incentives include, but are not limited to, cash grants, tax abatements, infrastructure improvements, investment in facility rehabilitation, construction, and training investments.

(12) The credit is not prohibited by section 16 of this chapter.

SECTION 38. IC 6-3.1-13-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. In determining the credit amount that should be awarded **to an applicant under section 15 of this chapter that proposes a project to create jobs in Indiana**, the board shall take into consideration the following factors:

(1) The economy of the county where the projected investment is to occur.

(2) The potential impact on the economy of Indiana.

~~(3) The magnitude of the cost differential between Indiana and the competing state.~~

~~(4)~~ (3) The incremental payroll attributable to the project.

- 1 ~~(5)~~ (4) The capital investment attributable to the
- 2 project.
- 3 ~~(6)~~ (5) The amount the average wage paid by the
- 4 applicant exceeds the average wage paid within the
- 5 county in which the project will be located.
- 6 ~~(7)~~ (6) The costs to Indiana and the affected political
- 7 subdivisions with respect to the project.
- 8 ~~(8)~~ (7) The financial assistance that is otherwise
- 9 provided by Indiana and the affected political
- 10 subdivisions.

11 **As appropriate, the board shall consider the factors in this section**
 12 **to determine the credit amount awarded to an applicant for a**
 13 **project to retain existing jobs in Indiana under section 15.5 of this**
 14 **chapter. In the case of an applicant under section 15.5 of this**
 15 **chapter, the board shall consider the magnitude of the cost**
 16 **differential between the projected costs for the applicant's project**
 17 **in the competing site outside Indiana and the projected costs for**
 18 **the applicant's project in Indiana.**

19 SECTION 39. IC 6-3.1-13-18 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. The board shall
 21 determine the amount and duration of a tax credit awarded under this
 22 chapter. The duration of the credit may not exceed ten (10) taxable
 23 years. The credit may be stated as a percentage of the incremental
 24 income tax withholdings attributable to the applicant's project and may
 25 include a fixed dollar limitation. **In the case of a credit awarded for**
 26 **a project to create new jobs in Indiana,** the credit amount may not
 27 exceed the incremental income tax withholdings. However, the credit
 28 amount claimed for a taxable year may exceed the taxpayer's state tax
 29 liability for the taxable year, in which case the excess shall be refunded
 30 to the taxpayer.

31 SECTION 40. IC 6-3.1-13-19 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. **In the case of**
 33 **a credit awarded for a project to create new jobs in Indiana,** the
 34 board shall enter into an agreement with an applicant that is awarded
 35 a credit under this chapter. The agreement must include all of the
 36 following:

- 37 (1) A detailed description of the project that is the
- 38 subject of the agreement.

- 1 (2) The duration of the tax credit and the first taxable
- 2 year for which the credit may be claimed.
- 3 (3) The credit amount that will be allowed for each
- 4 taxable year.
- 5 (4) A requirement that the taxpayer shall maintain
- 6 operations at the project location for at least two (2)
- 7 times the number of years as the term of the tax
- 8 credit. **A taxpayer is subject to an assessment**
- 9 **under section 22 of this chapter for noncompliance**
- 10 **with the requirement described in this subdivision.**
- 11 (5) A specific method for determining the number of
- 12 new employees employed during a taxable year who
- 13 are performing jobs not previously performed by an
- 14 employee.
- 15 (6) A requirement that the taxpayer shall annually
- 16 report to the board the number of new employees who
- 17 are performing jobs not previously performed by an
- 18 employee, the new income tax revenue withheld in
- 19 connection with the new employees, and any other
- 20 information the director needs to perform the
- 21 director's duties under this chapter.
- 22 (7) A requirement that the director is authorized to
- 23 verify with the appropriate state agencies the amounts
- 24 reported under subdivision (6), and after doing so
- 25 shall issue a certificate to the taxpayer stating that the
- 26 amounts have been verified.
- 27 (8) A requirement that the taxpayer shall provide
- 28 written notification to the director and the board not
- 29 more than thirty (30) days after the taxpayer makes or
- 30 receives a proposal that would transfer the taxpayer's
- 31 state tax liability obligations to a successor taxpayer.
- 32 (9) Any other performance conditions that the board
- 33 determines are appropriate.

34 SECTION 41. IC 6-3.1-13-19.5 IS ADDED TO THE
 35 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
 36 [EFFECTIVE UPON PASSAGE]: **Sec. 19.5. In the case of a credit**
 37 **awarded for a project to retain existing jobs in Indiana, the board**
 38 **shall enter into an agreement with an applicant that is awarded a**

1 credit under this chapter. The agreement must include all of the
2 following:

3 (1) A detailed description of the business that is the
4 subject of the agreement.

5 (2) The duration of the tax credit and the first
6 taxable year for which the credit may be claimed.

7 (3) The credit amount that will be allowed for each
8 taxable year.

9 (4) A requirement that the applicant shall
10 maintain operations at the project location for at
11 least two (2) times the number of years as the term
12 of the tax credit. An applicant is subject to an
13 assessment under section 22 of this chapter for
14 noncompliance with the requirement described in
15 this subdivision.

16 (5) A requirement that the applicant shall annually
17 report the following to the board:

18 (A) The number of employees who are
19 employed in Indiana by the applicant.

20 (B) The compensation (including benefits)
21 paid to the applicant's employees in
22 Indiana.

23 (C) The amount of the:

24 (i) facility improvements;

25 (ii) equipment and machinery
26 upgrades, repairs, or retrofits; or

27 (iii) other direct business related
28 investments, including training.

29 (6) A requirement that the applicant shall provide
30 written notification to the director and the board
31 not more than thirty (30) days after the applicant
32 makes or receives a proposal that would transfer
33 the applicant's state tax liability obligations to a
34 successor taxpayer.

35 (7) Any other performance conditions that the
36 board determines are appropriate.

37 SECTION 42. IC 6-3.1-13-24 IS AMENDED TO READ AS
38 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 24. On a biennial

basis, the board shall provide for an evaluation of the tax credit program, giving first priority to using the Indiana economic development council, established under IC 4-3-14-4. The evaluation shall include an assessment of the effectiveness of the program in creating new jobs **and retaining existing jobs** in Indiana and of the revenue impact of the program, and may include a review of the practices and experiences of other states with similar programs. The director shall submit a report on the evaluation to the governor, the president pro tempore of the senate, and the speaker of the house of representatives after June 30 and before November 1 in each odd-numbered year.

SECTION 33. IC 6-3.1-20-7, AS ADDED BY P.L.151-2001, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 7. (a) The department shall before July 1 of each year determine the amount of credits allowed under this chapter for taxable years ending before January 1 of the year.

(b) One-half ($\frac{1}{2}$) of the amount determined by the department under subsection (a) shall be:

(1) deducted during the year from the riverboat admissions tax revenue otherwise payable to the county under ~~IC 4-33-12-6(b)(2)~~; **IC 4-33-12-6(d)(2)**; and

(2) paid instead to the state general fund.

(c) One-sixth ($\frac{1}{6}$) of the amount determined by the department under subsection (a) shall be:

(1) deducted during the year from the riverboat admissions tax revenue otherwise payable under ~~IC 4-33-12-6(b)(1)~~ **IC 4-33-12-6(d)(1)** to each of the following:

(A) The largest city by population located in the county.

(B) The second largest city by population located in the county.

(C) The third largest city by population located in the county; and

(2) paid instead to the state general fund.".

Page 40, line 42, after "to" insert ":

(1)".

1 Page 41, line 2, delete "." and insert "; and
 2 (2) a county having a population of more than
 3 forty-five thousand (45,000) but less than
 4 forty-five thousand nine hundred (45,900).".

5 Page 60, line 18, after "For" insert "
 6 (1)".

7 Page 60, line 20, delete "(200,000)," and insert "(200,000); or
 8 (2) a county having a population of more than
 9 forty-five thousand (45,000) but less than
 10 forty-five thousand nine hundred (45,900);".

11 Page 60, line 20, beginning with "the" begin a new line
 12 blocked left.

13 Page 62, between lines 25 and 26, begin a new paragraph and
 14 insert:

15 "SECTION 54. IC 6-8.1-9-14 IS ADDED TO THE INDIANA
 16 CODE AS A NEW SECTION TO READ AS FOLLOWS
 17 [EFFECTIVE JANUARY 1, 2003]: **Sec. 14. (a) The department shall**
 18 **establish, administer, and make available a centralized debt**
 19 **collection program for use by state agencies to collect delinquent**
 20 **accounts, charges, fees, loans, taxes, or other indebtedness owed to**
 21 **or being collected by state agencies. The department's collection**
 22 **facilities shall be available for use by other state agencies only**
 23 **when resources are available to the department.**

24 **(b) The commissioner shall prescribe the appropriate form**
 25 **and manner in which collection information is to be submitted to**
 26 **the department.**

27 **(c) The debt must be delinquent and not subject to**
 28 **litigation, claim, appeal, or review under the appropriate remedies**
 29 **of a state agency.**

30 **(d) The department has the authority to collect for the state**
 31 **or claimant agency (as defined in IC 6-8.1-9.5-1) delinquent**
 32 **accounts, charges, fees, loans, taxes, or other indebtedness due the**
 33 **state or claimant agency that has a formal agreement with the**
 34 **department for central debt collection.**

35 **(e) The formal agreement must provide that the**
 36 **information provided to the department be sufficient to establish**
 37 **the obligation in court and to render the agreement as a legal**
 38 **judgment on behalf of the state. After transferring a file for**

1 collection to the department for collection, the claimant agency
 2 shall terminate all collection procedures and be available to
 3 provide assistance to the department. Upon receipt of a file for
 4 collection, the department shall comply with all applicable state
 5 and federal laws governing collection of the debt.

6 (f) The department may use a claimant agency's statutory
 7 authority to collect the claimant agency's delinquent accounts,
 8 charges, fees, loans, taxes, or other indebtedness owed to the
 9 claimant agency.

10 (g) The department's right to credit against taxes due may
 11 not be impaired by any right granted the department or other state
 12 agency under this section.

13 (h) The department of state revenue may charge the
 14 claimant agency a fee not to exceed fifteen percent (15%) of any
 15 funds the department collects for a claimant agency.
 16 Notwithstanding any law concerning delinquent accounts, charges,
 17 fees, loans, taxes, or other indebtedness, the fifteen percent (15%)
 18 fee shall be added to the amount due to the state or claimant
 19 agency when the collection is made.

20 (i) Fees collected under subsection (h) shall be retained by
 21 the department after the debt is collected for the claimant agency
 22 and are appropriated to the department for use by the department
 23 in administering this section.

24 (j) The department shall transfer any funds collected from
 25 a debtor to the claimant agency within thirty (30) days after the
 26 end of the month in which the funds were collected.

27 (k) When a claimant agency requests collection by the
 28 department, the claimant agency shall provide the department
 29 with:

- 30 (1) the full name;
- 31 (2) the Social Security number or federal
- 32 identification number, or both;
- 33 (3) the last known mailing address; and
- 34 (4) additional information that the department
- 35 may request;
- 36 concerning the debtor.

37 (l) The department shall establish a minimum amount that
 38 the department will attempt to collect for the claimant agency.

(m) The commissioner shall report, not later than March 1 for the previous calendar year, to the governor, the budget director, and the legislative council concerning the implementation of the centralized debt collection program, the number of debts, the dollar amounts of debts collected, and an estimate of the future costs and benefits that may be associated with the collection program."

Page 67, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 61. IC 12-7-2-128.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: **Sec. 128.5. "Medical institution", for purposes of IC 12-15-8.5, has the meaning set forth in IC 12-15-8.5-1.**

SECTION 62. IC 12-15-2-17, AS AMENDED BY P.L.272-1999, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 17. (a) Except as provided in ~~subsection~~ **subsections (b) and (d)**, if an applicant for or a recipient of Medicaid:

(1) establishes one (1) irrevocable trust that has a value of not more than ten thousand dollars (\$10,000), exclusive of interest, and is established for the sole purpose of providing money for the burial of the applicant or recipient;

(2) enters into an irrevocable prepaid funeral agreement having a value of not more than ten thousand dollars (\$10,000); or

(3) owns a life insurance policy with a face value of not more than ten thousand dollars (\$10,000) and with respect to which provision is made to pay not more than ten thousand dollars (\$10,000) toward the applicant's or recipient's funeral expenses;

the value of the trust, prepaid funeral agreement, or life insurance policy may not be considered as a resource in determining the applicant's or recipient's eligibility for Medicaid.

(b) **Subject to subsection (d)**, if an applicant for or a recipient of Medicaid establishes an irrevocable trust or escrow under IC 30-2-13, the entire value of the trust or escrow may not be

1 considered as a resource in determining the applicant's or recipient's
2 eligibility for Medicaid.

3 (c) If an applicant for or a recipient of Medicaid owns
4 resources described in subsection (a) and the total value of those
5 resources is more than ten thousand dollars (\$10,000), the value of
6 those resources that is more than ten thousand dollars (\$10,000) may
7 be considered as a resource in determining the applicant's or recipient's
8 eligibility for Medicaid.

9 **(d) In order for a trust, an escrow, a life insurance policy,**
10 **or a prepaid funeral agreement to be exempt as a resource in**
11 **determining an applicant's or recipient's eligibility for Medicaid**
12 **under this section, the applicant or recipient must designate the**
13 **office or the applicant's or recipient's estate to receive any**
14 **remaining amounts after delivery of all services and merchandise**
15 **under the contract as reimbursement for Medicaid assistance**
16 **provided to the applicant or recipient after age fifty-five (55). The**
17 **office may receive funds under this subsection only to the extent**
18 **permitted by 42 U.S.C. 1396p. The computation of remaining**
19 **amounts shall be made as of the date of delivery of services and**
20 **merchandise under the contract and must be the excess, if any,**
21 **derived from:**

- 22 (1) growth in principal;
- 23 (2) accumulation and reinvestment of dividends;
- 24 (3) accumulation and reinvestment of interest; and
- 25 (4) accumulation and reinvestment of
- 26 distributions;

27 **on the applicant's or recipient's trust, escrow, life insurance policy,**
28 **or prepaid funeral agreement over and above the seller's current**
29 **retail price of all services, merchandise, and cash advance items set**
30 **forth in the applicant's or recipient's contract.**

31 SECTION 63. IC 12-15-8.5 IS ADDED TO THE INDIANA
32 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
33 [EFFECTIVE JANUARY 1, 2003]:

34 **Chapter 8.5. Liens on Real Property of Medicaid**
35 **Recipients**

36 **Sec. 1. As used in this chapter, "medical institution "**
37 **means any of the following:**

- 38 (1) A hospital.

(2) A nursing facility.

(3) An intermediate care facility for the mentally retarded.

Sec. 2. Subject to section 10 of this chapter, when the office, in accordance with 42 U.S.C. 1396p, determines that a Medicaid recipient who resides in a medical institution cannot reasonably be expected to be discharged from a medical institution and return home, the office may obtain a lien on the Medicaid recipient's real property for the cost of all Medicaid expenditures made on behalf of the recipient.

Sec. 3. The office may not obtain a lien under this chapter if any of the following persons lawfully reside in the home of the Medicaid recipient who resides in the medical institution:

(1) The Medicaid recipient's spouse.

(2) The Medicaid recipient's child who is:

(A) less than twenty-one (21) years of age;

or

(B) disabled as defined by the federal Supplemental Security Income program.

(3) The Medicaid recipient's sibling who has an ownership interest in the home and who has lived in the home continuously beginning at least twelve (12) months before the recipient was admitted to the medical institution.

(4) The Medicaid recipient's parent.

(5) An individual, other than a paid caregiver, who:

(A) was continuously residing in the recipient's home for a period of at least two (2) years immediately prior to the date of the recipient's admission to the nursing facility; and

(B) establishes to the satisfaction of the office that the person provided care to the recipient enabling the recipient to reside in the recipient's home rather than in a medical institution.

Sec. 4. Before obtaining a lien on a Medicaid recipient's

1 real property under this chapter, the office shall notify in writing
 2 the Medicaid recipient or the Medicaid recipient's authorized
 3 representative, if applicable, of the following:

4 (1) The office's determination that the Medicaid
 5 recipient cannot reasonably be expected to be
 6 discharged from the medical institution.

7 (2) The office's intent to impose a lien on the
 8 Medicaid recipient's home.

9 (3) The Medicaid recipient's right to a hearing
 10 under IC 12-15-28 upon the Medicaid recipient's
 11 request regarding whether the requirements for
 12 the imposition of a lien are satisfied. No lien shall
 13 be filed until the hearing process is completed if a
 14 hearing is requested.

15 Sec. 5. (a) The office shall obtain a lien under this chapter
 16 by filing a notice of lien with the recorder of the county in which
 17 the real property subject to the lien is located. The notice shall be
 18 filed prior to the recipient's death and shall include the following:

19 (1) The name and place of residence of the
 20 individual against whose property the lien is
 21 asserted.

22 (2) A legal description of the real property subject
 23 to the lien.

24 (b) Upon the office's request, the county auditor or assessor
 25 of a county shall furnish the office with the legal description of any
 26 property in the county registered to the recipient.

27 (c) The office shall file one (1) copy of the notice of lien with
 28 the county office of family and children in the county in which the
 29 real property is located. The county office of family and children
 30 shall retain a copy of the notice with the county office's records.

31 (d) The office shall provide one (1) copy of the notice of lien
 32 to the recipient or the Medicaid recipient's authorized
 33 representative, if applicable, whose real property is affected.

34 Sec. 6. (a) Beginning on the date on which a notice of lien
 35 is recorded in the office of the county recorder under section 5 of
 36 this chapter, the notice of lien:

37 (1) constitutes due notice of a lien against the
 38 Medicaid recipient's real property for any amount

1 then recoverable and any amount that becomes
2 recoverable under this article; and

3 (2) gives a specific lien in favor of the office.

4 (b) The lien continues from the date of filing the lien until
5 the lien is satisfied or released.

6 Sec. 7. The office may bring proceedings in foreclosure on
7 a lien arising under this chapter:

8 (1) during the lifetime of the Medicaid recipient if
9 the Medicaid recipient or a person acting on behalf
10 of the Medicaid recipient sells the property; or

11 (2) upon the death of the Medicaid recipient.

12 Sec. 8. (a) The office may not enforce a lien under this
13 chapter if the Medicaid recipient is survived by any of the
14 following:

15 (1) The recipient's spouse.

16 (2) The recipient's child who is:

17 (A) less than twenty-one (21) years of age;
18 or

19 (B) disabled as defined by the federal
20 Supplemental Security Income program.

21 (3) The recipient's parent.

22 (b) The office may not enforce a lien under this chapter as
23 long as any of the following individuals reside in the home:

24 (1) The recipient's child of any age if the child:

25 (A) resided in the home for at least
26 twenty-four (24) months before the
27 Medicaid recipient was admitted to the
28 medical institution;

29 (B) provided care to the Medicaid
30 recipient that delayed the Medicaid
31 recipient's admission to the medical
32 institution; and

33 (C) has resided in the home on a
34 continuous basis since the date of the
35 individual's admission to the medical
36 institution.

37 (2) The Medicaid recipient's sibling who has an
38 ownership interest in the home and who has lived

1 in the home continuously beginning at least twelve
 2 (12) months before the Medicaid recipient was
 3 admitted to the medical institution.

4 Sec. 9. (a) The office shall release a lien imposed under this
 5 chapter within ten (10) business days after the county office of
 6 family and children receives notice that the Medicaid recipient:

7 (1) was discharged from the medical institution;

8 and

9 (2) is living in the home.

10 (b) The county recorder shall waive the filing fee for the
 11 filing of a release made under this section.

12 (c) If the property subject to the lien is sold, the office shall
 13 release its lien at the closing, and the lien shall attach to the net
 14 proceeds of the sale.

15 Sec. 10. (a) The office may not enforce a lien against
 16 property with a value equal to or less than seventy-five thousand
 17 dollars (\$75,000.00). If the value of the property subject to the lien
 18 exceeds seventy-five thousand dollars (\$75,000.00), the value of the
 19 property equal to or less than seventy-five thousand dollars
 20 (\$75,000.00) is exempt from the lien.

21 (b) This section expires January 1, 2008.

22 Sec. 11. (a) As used in this section "financial institution"
 23 means a bank, a trust company, a corporate fiduciary, a savings
 24 association, a credit union, a savings bank, a bank of discount and
 25 deposit, or an industrial loan and investment company organized
 26 or reorganized under the laws of this state, another state (as
 27 defined in IC 28-2-17-19), or United States law. The term also
 28 includes a consumer finance institution licensed to make supervised
 29 or regulated loans under IC 24-4.5.

30 (b) A lien obtained under this chapter is subordinate to the
 31 security interest of a financial institution that loans money for any
 32 of the following purposes:

33 (1) The payment of taxes, insurance, maintenance,
 34 and repairs in order to preserve and maintain the
 35 property.

36 (2) Operating capital for the operation of a farm,
 37 business, or income producing real property.

38 (3) The payment of medical, dental, or optical

1 expenses incurred by the recipient, the recipient's
 2 spouse, a dependent parent, or a child who is less
 3 than twenty-one (21) years of age or who is
 4 disabled under criteria established by the federal
 5 Supplemental Security Income program.

6 (4) The reasonable costs and expenses for the
 7 support, maintenance, comfort, and education of
 8 the recipient's spouse, a dependent parent, or a
 9 child who is less than twenty-one (21) years of age
 10 or who is disabled under criteria established by the
 11 federal Supplemental Security Income program.

12 SECTION 64. IC 12-15-9-0.5 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 0.5. As used in this
 14 chapter, "estate" includes:

15 (1) all real and personal property and other assets
 16 included within an individual's probate estate; **and**
 17 (2) **any other real and personal property and other**
 18 **assets in which the individual had legal title or an**
 19 **interest at the time of death to the extent of the**
 20 **individual's interest, including assets conveyed to**
 21 **a survivor, an heir, or an assign of the deceased**
 22 **individual through any of the following:**

23 (A) Joint tenancy.

24 (B) Tenancy in common.

25 (C) Survivorship.

26 (D) Life estate.

27 (E) Trust, except for a trust:

28 (i) that meets the requirements of
 29 42 U.S.C. 1396p(d)(4); or

30 (ii) that is funded with assets of a
 31 person other than the individual
 32 or the individual's spouse.

33 (F) Any other arrangement.

34 SECTION 65. IC 12-15-9-0.6 IS ADDED TO THE INDIANA
 35 CODE AS A NEW SECTION TO READ AS FOLLOWS
 36 [EFFECTIVE JULY 1, 2002]: Sec. 0.6. (a) This section applies only
 37 to assets that are not included within an individual's probate estate.

38 (b) The office may enforce its claim only to the extent that

1 **the value of the property subject to the claim exceeds seventy-five**
 2 **thousand dollars (\$75,000.00).**

3 **(c) This section expires January 1, 2008.**

4 SECTION 66. IC 12-15-9-0.7 IS ADDED TO THE INDIANA
 5 CODE AS A NEW SECTION TO READ AS FOLLOWS
 6 [EFFECTIVE JULY 1, 2002]: **Sec. 0.7. (a) This section applies only**
 7 **to assets that are not included within an individual's probate estate.**

8 **(b) As used in this section "nonprobate transferee" means**
 9 **a person receiving property described in section 0.5 of this chapter.**

10 **(c) The liability of a nonprobate transferee for the office's**
 11 **claim under this chapter may not:**

12 **(1) exceed the value of the nonprobate transfers**
 13 **received or controlled by the transferee; and**

14 **(2) include the net contributions of the transferee.**

15 **(d) Upon notice to a nonprobate transferee, the office may**
 16 **enforce its claim in a proceeding in Indiana in the county in which**
 17 **the:**

18 **(1) transfer occurred;**

19 **(2) transferee is located; or**

20 **(3) probate action is pending.**

21 **(e) Enforcement of a claim against assets that are not**
 22 **included within an individual's probate estate must be commenced**
 23 **not later than twelve (12) months after the decedent's death.**

24 SECTION 67. IC 12-15-9-0.8 IS ADDED TO THE INDIANA
 25 CODE AS A NEW SECTION TO READ AS FOLLOWS
 26 [EFFECTIVE MAY 1, 2002]: **Sec. 0.8. Any nonprobate assets:**

27 **(1) that the office determined were exempt or**
 28 **unavailable assets; or**

29 **(2) that were transferred out of the probate estate;**
 30 **before May 1, 2002, may not be included in the definition of estate**
 31 **under this chapter.**

32 SECTION 68. IC 12-15-28-1 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: **Sec. 1. An applicant**
 34 **for or a recipient of Medicaid may appeal to the office if one (1) of the**
 35 **following occurs:**

36 **(1) An application or a request is not acted upon by**
 37 **the county office within a reasonable time after the**
 38 **application or request is filed.**

(2) The application is denied.

(3) The applicant or recipient is dissatisfied with the action of the county office.

(4) The recipient is dissatisfied with a determination made by the office under IC 12-15-8.5."

Page 72, between lines 29 and 30, begin a new paragraph and insert:

"SECTION 69. IC 33-3-5-2.5, AS ADDED BY P.L.151-2001, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. (a) As used in this section, "qualifying county" means a county having a population of more than four hundred thousand (400,000) and less than seven hundred thousand (700,000).

(b) As used in this section, "contractor" means ~~the a~~ general reassessment, **general reassessment review, or special reassessment** contractor of the ~~state board department of tax commissioners local government finance~~ under IC 6-1.1-4-32.

(c) As used in this section, "qualifying official" refers to any of the following:

(1) A county assessor of a qualifying county.

(2) A township assessor of a township located in a qualifying county.

(3) The county auditor of a qualifying county.

(4) The treasurer of a qualifying county.

(5) The county surveyor of a qualifying county.

(6) A member of the land valuation committee in a qualifying county.

(7) Any other township or county official in a qualifying county who has possession or control of information necessary or useful for a general reassessment, general reassessment review, or special reassessment of property to which IC 6-1.1-4-32 applies, including information in the possession or control of an employee or a contractor of the official.

(8) Any county official in a qualifying county who has control, review, or other responsibilities related to paying claims of a contractor submitted

for payment under IC 6-1.1-4-32.

(d) Upon petition from ~~(1) the state board department of tax commissioners; local government finance~~ or ~~(2) the a~~ contractor, the tax court may order a ~~township assessor in a qualifying county or a county assessor of a qualifying county~~ **qualifying official** to:

(1) produce information requested in writing from the ~~township assessor or county assessor~~ **qualifying official** by the ~~state board department of tax commissioners local government finance~~ or the contractor; or

(2) pay a bill submitted to the qualifying county or a **qualifying official in conformity with IC 6-1.1-4-32.**

~~(d)~~ (e) If the tax court orders a ~~township assessor or county assessor~~ **qualifying official** to provide requested information or pay a bill as described in subsection ~~(b)~~, (d), the tax court shall order production of the information or payment of the bill not later than fourteen (14) days after the date of the tax court's order.

~~(e)~~ (f) The tax court may find that any willful violation of this section by a ~~township assessor or county assessor~~ **qualifying official** constitutes a direct contempt of the tax court."

Page 73, line 28, delete "an executive (as)".

Page 73, delete line 29.

Page 73, line 30, delete "township assessor under IC 36-6-5-2,".

Page 74, line 3, delete "an executive (as defined in IC 36-1-2-5)".

Page 74, delete line 4.

Page 74, line 5, delete "under IC 36-6-5-2,".

Page 75, line 26, after "assessor" insert "**or elected township assessor**".

Page 82, line 37, delete "IC 6-1.1-4-13.6; IC 6-1.1-4-13.8;".

Page 76, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 71. IC 36-7-13-2.4, AS AMENDED BY P.L.174-2001, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.4. **Except as provided in section 10.7(c) of this chapter**, as used in this chapter, "gross retail

1 base period amount" means:

2 (1) the aggregate amount of state gross retail and use
3 taxes remitted under IC 6-2.5 by the businesses
4 operating in the territory comprising a district during
5 the full state fiscal year that precedes the date on
6 which:

7 (A) an advisory commission on industrial
8 development adopted a resolution
9 designating the district, in the case of a
10 district that is not described in section 12(c)
11 of this chapter; or

12 (B) the legislative body of a county or
13 municipality adopts an ordinance designating
14 a district under section 10.5 of this chapter;
15 or

16 (2) an amount equal to:

17 (A) the aggregate amount of state gross retail
18 and use taxes remitted:

19 (i) under IC 6-2.5 by the businesses
20 operating in the territory comprising
21 a district; and

22 (ii) during the month in which an
23 advisory commission on industrial
24 development adopted a resolution
25 designating the district; multiplied
26 by

27 (B) twelve (12);

28 in the case of a district that is described in section
29 12(c) of this chapter.

30 SECTION 72. IC 36-7-13-3.2, AS AMENDED BY
31 P.L.174-2001, SECTION 3, IS AMENDED TO READ AS FOLLOWS
32 [EFFECTIVE UPON PASSAGE]: Sec. 3.2. **Except as provided in**
33 **section 10.7(d) of this chapter**, as used in this chapter, "income tax
34 base period amount" means:

35 (1) the aggregate amount of state and local income
36 taxes paid by employees employed in the territory
37 comprising a district with respect to wages and salary
38 earned for work in the district for the state fiscal year

that precedes the date on which:

(A) an advisory commission on industrial development adopted a resolution designating the district, in the case of a district that is not described in section 12(c) of this chapter; or

(B) the legislative body of a county or municipality adopts an ordinance designating a district under section 10.5 of this chapter; or

(2) an amount equal to:

(A) the aggregate amount of state and local income taxes paid by employees employed in the territory comprising a district with respect to wages and salary earned for work in the district during the month in which an advisory commission on industrial development adopted a resolution designating the district; multiplied by

(B) twelve (12);

in the case of a district that is described in section 12(c) of this chapter.

SECTION 73. IC 36-7-13-10.5, AS ADDED BY P.L.174-2001, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10.5. (a) This section applies only to a county that meets the following conditions:

(1) The county's annual rate of unemployment has been above the average annual statewide rate of unemployment during at least three (3) of the preceding five (5) years.

(2) The median income of the county has:

(A) declined over the preceding ten (10) years; or

(B) has grown at a lower rate than the average annual statewide growth in median income during at least three (3) of the preceding five (5) years.

(3) The population of the county (as determined by

the legislative body of the county) has declined over the preceding ten (10) years.

(b) **Except as provided in section 10.7 of this chapter**, in a county described in subsection (a), the legislative body of the county may adopt an ordinance designating an unincorporated part or unincorporated parts of the county as a district, and the legislative body of a municipality located within the county may adopt an ordinance designating a part or parts of the municipality as a district, if the legislative body finds all of the following:

(1) The area to be designated as a district contains a building or buildings that:

(A) have ~~in aggregate~~, a total of at least fifty thousand (50,000) square feet of usable interior floor space; and

(B) are vacant or will become vacant due to the relocation of the employer or the ~~ceasing~~ **cessation** of operations on the site by the employer.

(2) Significantly fewer persons are employed in the area to be designated as a district than were employed in the area during the year that is ten (10) years previous to the current year.

(3) There are significant obstacles to redevelopment in the area due to any of the following problems:

(A) Obsolete or inefficient buildings.

(B) Aging infrastructure or inefficient utility services.

(C) Utility relocation requirements.

(D) Transportation or access problems.

(E) Topographical obstacles to redevelopment.

(F) Environmental contamination or remediation.

(c) A legislative body adopting an ordinance under subsection (b) shall designate the duration of the district. However, the duration may not exceed fifteen (15) years from the time of designation.

(d) **Except as provided in section 10.7 of this chapter**, upon adoption of an ordinance designating a district, the legislative body

1 shall submit the ordinance to the budget committee for review and
2 recommendation to the budget agency.

3 (e) **Except as provided in section 10.7 of this chapter**, when
4 considering the designation of a district by an ordinance adopted under
5 this section, the budget committee and the budget agency must make
6 the following findings before approving the designation of the district:

7 (1) The area to be designated as a district meets the
8 conditions necessary for the designation as a district.

9 (2) The designation of the district will benefit the
10 people of Indiana by protecting or increasing state and
11 local tax bases and tax revenues for at least the
12 duration of the district.

13 (f) **Except as provided in section 10.7 of this chapter**, the
14 income tax incremental amount and the gross retail incremental amount
15 may not be allocated to the district until the budget agency approves
16 the designation of the district by the local ordinance.

17 SECTION 74. IC 36-7-13-10.7 IS ADDED TO THE
18 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
19 [EFFECTIVE UPON PASSAGE]: **Sec. 10.7. (a) This section applies**
20 **to a district designated under section 10.5 of this chapter and**
21 **approved by the budget agency before January 1, 2002, in a city**
22 **having a population of more than thirty-one thousand (31,000) but**
23 **less than thirty-two thousand (32,000).**

24 (b) **An area is added to and becomes part of a district**
25 **described in subsection (a) if the area consists of property that:**

26 (1) **is located in a city having a population of more**
27 **than thirty-one thousand (31,000) but less than**
28 **thirty-two thousand (32,000); and**

29 (2) **experienced a loss of at least three hundred**
30 **(300) jobs during the calendar year ending**
31 **December 31, 2001.**

32 (c) **After the addition of property to a district described in**
33 **subsection (a) under this section, the gross retail base period**
34 **amount determined under section 2.4 of this chapter for the district**
35 **before the addition of the property to the district under this section**
36 **shall be increased by an amount equal to:**

37 (1) **the aggregate amount of state gross retail and**
38 **use taxes remitted:**

(A) under IC 6-2.5 by the businesses operating in the area added to the district under subsection (b); and

(B) during the period beginning after December 31, 2001, and ending before February 1, 2002; multiplied by

(2) twelve (12).

(d) After the addition of property to a district described in subsection (a) under this section, the income tax base period amount determined under section 3.2 of this chapter for the district before the addition of the property to the district under this section shall be increased by an amount equal to:

(1) the aggregate amount of state and local income taxes paid:

(A) by employees employed in the area added to the district under subsection (b) with respect to wages and salary earned for work in the area added; and

(B) during the period beginning after December 31, 2001, and ending before February 1, 2002; multiplied by

(2) twelve (12).

(e) The addition of property to a district under this section does not require adoption of an ordinance, review by the budget committee, or approval of the budget agency under section 10.5 of this chapter."

Page 76, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 71. IC 36-7-26-1, AS AMENDED BY P.L.291-2001, SECTION 200, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2002 (RETROACTIVE)]: Sec. 1. This chapter applies to the following:

(1) A city having a population of more than

seventy-five thousand (75,000) but less than ninety thousand (90,000).

(2) A city having a population of more than ~~ninety thousand (90,000)~~ but less than one hundred ten thousand ~~(110,000)~~; **one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000).**

(3) A city having a population of more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000).

(4) A city having a population of more than one hundred twenty thousand (120,000) but less than one hundred fifty thousand (150,000).

SECTION 72. IC 36-7-26-23, AS AMENDED BY P.L.291-2001, SECTION 202, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2002 (RETROACTIVE)]: Sec. 23.

(a) Before the first business day in October of each year, the board shall require the department to calculate the net increment for the preceding state fiscal year. The department shall transmit to the board a statement as to the net increment in sufficient time to permit the board to review the calculation and permit the transfers required by this section to be made on a timely basis.

(b) There is established a sales tax increment financing fund to be administered by the treasurer of state. The fund is comprised of two (2) accounts called the net increment account and the credit account.

(c) On the first business day in October of each year, that portion of the net increment calculated under subsection (a) that is needed:

(1) to pay debt service on the bonds issued under section 24 of this chapter or to pay lease rentals under section 24 of this chapter; and

(2) to establish and maintain a debt service reserve established by the commission or by a lessor that provides local public improvements to the commission;

shall be transferred to and deposited in the fund and credited to the net increment account. Money credited to the net increment account is

pledged to the purposes described in subdivisions (1) and (2), subject to the other provisions of this chapter.

(d) On the first business day of October in each year, the remainder of:

(1) eighty percent (80%) of the gross increment;

minus

(2) the amount credited to the net increment account on the same date;

shall be transferred and credited to the credit account.

(e) The remainder of:

(1) the gross increment; minus

(2) the amounts credited to the net increment account and the credit account;

shall be deposited by the auditor of state as other gross retail and use taxes are deposited.

(f) A city described in section 1(2), 1(3), or 1(4) of this chapter may receive not more than fifty percent (50%) of the net increment each year. During the time a district exists in a city described in section ~~1(2)~~, 1(3) or 1(4) of this chapter, not more than a total of one million dollars (\$1,000,000) of net increment may be paid to the city described in section ~~1(2)~~, 1(3) or 1(4) of this chapter. **During each year that a district exists in a city described in section 1(2) of this chapter, not more than one million dollars (\$1,000,000) of net increment may be paid to the city described in section 1(2) of this chapter.**

(g) The auditor of state shall disburse all money in the fund that is credited to the net increment account to the commission in equal semiannual installments on November 30 and May 31 of each year.

SECTION 73. IC 36-7-26-24, AS AMENDED BY P.L.185-2001, SECTION 9, AND AS AMENDED BY P.L.291-2001, SECTION 203, IS AMENDED AND CORRECTED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2002 (RETROACTIVE)]: Sec. 24.

(a) The commission may issue bonds, payable in whole or in part, from money distributed from the fund to the commission, to finance a local public improvement under IC 36-7-14-25.1 or may make lease rental payments for a local public improvement under IC 36-7-14-25.2 and IC 36-7-14-25.3. The term of any bonds issued under this section may not exceed twenty (20) years, nor may the term of any lease agreement entered into under this section exceed twenty (20) years. The

1 commission shall transmit to the board a transcript of the proceedings
 2 with respect to the issuance of the bonds or the execution and delivery
 3 of a lease agreement as contemplated by this section. The transcript
 4 must include a debt service or lease rental schedule setting forth all
 5 payments required in connection with the bonds or the lease rentals.

6 (b) On January 15 of each year, the commission shall remit to
 7 the treasurer of state the money disbursed from the fund that is credited
 8 to the net increment account that exceeds the amount needed to pay
 9 debt service or lease rentals and to establish and maintain a debt
 10 service reserve under this chapter in the prior year and before May 31
 11 of that year. Amounts remitted under this subsection shall be deposited
 12 by the auditor of state as other gross retail and use taxes are deposited.

13 (c) The commission in a city described in section 1(2) of this
 14 chapter may ~~only~~ distribute money from the fund ~~only~~ for **the**
 15 **following:**

16 (1) Road, interchange, and right-of-way
 17 improvements. ~~and for~~

18 (2) **Acquisition costs of a commercial retail facility**
 19 **and for** real property acquisition costs in furtherance
 20 of the road, interchange, and right-of-way
 21 improvements.

22 (3) **Demolition of commercial property and any**
 23 **related expenses incurred before or after the**
 24 **demolition of the commercial property.**

25 (4) **For physical improvements or alterations of**
 26 **property that enhance the commercial viability of**
 27 **the district.**

28 (d) The commission in a city described in section 1(3) of this
 29 chapter may distribute money from the fund only for the following
 30 purposes:

31 (1) For road, interchange, and right-of-way
 32 improvements and for real property acquisition costs
 33 in furtherance of the road, interchange, and
 34 right-of-way improvements.

35 (2) For the demolition of commercial property and
 36 any related expenses incurred before or after the
 37 demolition of the commercial property.

38 (e) The commission in a city described in section 1(4) of this

chapter may distribute money from the fund only for the following purposes:

(1) For:

(A) the acquisition, demolition, and renovation of property; and

(B) site preparation and financing;

related to the development of housing in the district.

(2) For physical improvements or alterations of property that enhance the commercial viability of the district."

Page 86, between lines 13 and 14, begin a new paragraph and insert:

"SECTION 96. [EFFECTIVE UPON PASSAGE] (a) Notwithstanding IC 36-7-13-13(a), the legislative body of a unit that designates a community revitalization enhancement district described in IC 36-7-13-10.7(a), as added by this act, shall send to the department of state revenue by certified mail the updated list:

(1) required under IC 36-7-13-13(a); and

(2) listing the:

(A) employers in the district; and

(B) street names and the range of street numbers of each street in the district;

after the addition of property to the district under IC 36-7-13-10.7(b), as added by this act, not later than May 31, 2002.

(b) Notwithstanding IC 36-7-13-13(b), the department of state revenue shall calculate the:

(1) gross retail base period amount for the district described in subsection (a) as required under IC 36-7-13-10.7(c), as added by this act; and

(2) income tax base period amount for the district described in subsection (a) as required under IC 36-7-13-10.7(d), as added by this act;

not later than June 30, 2002.

(c) Notwithstanding IC 36-7-13-14, for the state fiscal year ending June 30, 2002, the department of state revenue shall calculate the:

(1) gross retail incremental amount for the district

described in subsection (a) using the gross retail base period amount determined under subsection (b)(1); and
 (2) income tax incremental amount for the district described in subsection (a) using the income tax base period amount determined under subsection (b)(2).

(d) This SECTION expires June 30, 2003."

Page 86, between lines 13 and 14, begin a new paragraph and insert:

"SECTION 92. [EFFECTIVE JULY 1, 2002] IC 4-33-12-6, as amended by this act, applies to riverboat admissions taxes collected after June 30, 2002.

SECTION 98. [EFFECTIVE JULY 1, 2002] (a) To the extent that IC 6-1.1-18-9, IC 6-1.1-35-9, and IC 6-1.1-35-11, all as amended by this act, apply to contracts for services with respect to undervalued or omitted property, those sections apply only to contracts for services with respect to assessment dates after December 31, 2002.

(b) This SECTION expires January 1, 2003."

Page 83, between lines 41 and 42, begin a new paragraph and insert:

"SECTION 89. [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: (a) IC 6-1.1-3-8.5 and IC 6-1.1-8-4.5, both as added by this act, apply to assessments for assessment dates after February 28, 2002.

(b) This SECTION expires January 1, 2003."

Page 86, between lines 13 and 14, begin a new paragraph and insert:

"SECTION 96. [EFFECTIVE UPON PASSAGE] (a) Notwithstanding IC 36-7-13-13(a), the legislative body of a unit that designates a community revitalization enhancement district described in IC 36-7-13-10.7(a), as added by this act, shall send to the department of state revenue by certified mail the updated list:

(1) required under IC 36-7-13-13(a); and

(2) listing the:

(A) employers in the district; and

(B) street names and the range of street

1 numbers of each street in the district;
 2 after the addition of property to the district under
 3 IC 36-7-13-10.7(b), as added by this act, not later than May 31,
 4 2002.

5 (b) Notwithstanding IC 36-7-13-13(b), the department of
 6 state revenue shall calculate the:

7 (1) gross retail base period amount for the district
 8 described in subsection (a) as required under
 9 IC 36-7-13-10.7(c), as added by this act; and

10 (2) income tax base period amount for the district
 11 described in subsection (a) as required under
 12 IC 36-7-13-10.7(d), as added by this act;

13 not later than June 30, 2002.

14 (c) Notwithstanding IC 36-7-13-14, for the state fiscal year
 15 ending June 30, 2002, the department of state revenue shall
 16 calculate the:

17 (1) gross retail incremental amount for the district
 18 described in subsection (a) using the gross retail
 19 base period amount determined under subsection
 20 (b)(1); and

21 (2) income tax incremental amount for the district
 22 described in subsection (a) using the income tax
 23 base period amount determined under subsection
 24 (b)(2).

25 (d) This SECTION expires June 30, 2003."

26 Page 86, between lines 13 and 14, begin a new paragraph and
 27 insert:

28 "SECTION 95. [EFFECTIVE JANUARY 1, 2001
 29 (RETROACTIVE)]: (a) This SECTION applies notwithstanding:

- 30 (1) IC 6-1.1-3-7.5;
- 31 (2) IC 6-1.1-10-31.1;
- 32 (3) IC 6-1.1-11;
- 33 (4) 50 IAC 4.2-12-1;
- 34 (5) 50 IAC 16-3-2; and
- 35 (6) 50 IAC 16-4-1.

36 (b) For purposes of this SECTION, "taxpayer" means a
 37 taxpayer that filed a personal property tax return under IC 6-1.1-3
 38 for the March 1, 2001, assessment date:

- (1) in a township having a population of more than ninety-three thousand (93,000) but less than one hundred ten thousand (110,000) located in a county containing a consolidated city; and
- (2) on which the taxpayer reported a total assessed value of personal property of more than fifty-five million dollars (\$55,000,000) and less than fifty-six million dollars (\$56,000,000).

(c) A taxpayer may before January 1, 2003, file an amended personal property tax return for the March 1, 2001, assessment date.

(d) With respect to an amended personal property tax return filed under subsection (c), a taxpayer is entitled to an exemption of tangible personal property under IC 6-1.1-10-29, IC 6-1.1-10-29.3, and IC 6-1.1-10-30 based on:

- (1) the total cost of inventory reported on Schedule B of the Form 103 filed as part of the amended personal property tax return; and
- (2) the ratio reported on the Form 103W filed as part of the taxpayer's return referred to in subsection (b).

(e) A taxpayer shall pay taxes first due and payable in 2002 based on the assessed value of personal property reported in the amended personal property tax return filed under subsection (c).

(f) This SECTION applies only to personal property taxes first due and payable in 2002.

(g) This SECTION expires January 1, 2003."

Page 86, between lines 13 and 14, begin a new paragraph and insert:

"SECTION 92. [EFFECTIVE UPON PASSAGE] (a) The definitions contained in IC 6-1.1-12.1 apply to this SECTION.

(b) This SECTION applies to a property owner who:

- (1) is located in an economic revitalization area situated in a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000);
- (2) during February of 1999, was determined by a

designating body to be entitled to receive deductions for new manufacturing equipment under IC 6-1.1-12.1-4.5;

(3) has substantially complied with the statement of benefits filed under IC 6-1.1-12.1-4.5, including job creation or retention, capital investment, and any other requirements imposed by the designating body; and

(4) failed to timely file deduction applications under IC 6-1.1-12.1-5.5 for the property tax deduction under IC 6-1.1-12.1-4.5 with respect to deductions for property taxes first due and payable in 2001 and 2002.

(c) Notwithstanding IC 6-1.1-12.1, the property owner is entitled to the deductions described in subsection (b)(4) for property taxes first due and payable in 2001 and 2002 if, before June 1, 2002, the property owner files the deduction applications that would have been necessary to obtain those deductions under IC 6-1.1-12.1.

(d) Assessed value deductions granted under this SECTION apply to the property owner's property taxes first due and payable in 2001 and 2002. Notwithstanding any other law, the property owner may, before June 1, 2002, file amended personal property tax returns for property taxes first due and payable in 2001 and 2002. However, the interest provided for in IC 6-1.1-37-11 does not apply to a property tax refund due the property owner as a result of this SECTION.

(e) This SECTION expires December 31, 2003."

Page 17, between lines 33 and 34, begin a new paragraph and insert:

"SECTION 14. IC 6-1.1-12.1-4.5, AS AMENDED BY P.L.4-2000, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: Sec. 4.5. (a) For purposes of this section, "personal property" means personal property other than inventory (as defined in IC 6-1.1-3-11(a)).

(b) An applicant must provide a statement of benefits to the designating body. The applicant must provide the completed statement of benefits form to the designating body before the hearing specified in

section 2.5(c) of this chapter or before the installation of the new manufacturing equipment or new research and development equipment, or both, for which the person desires to claim a deduction under this chapter. The state board of tax commissioners shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:

(1) A description of the new manufacturing equipment or new research and development equipment, or both, that the person proposes to acquire.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(B) new research and development equipment;

an estimate of the number of individuals who will be employed or whose employment will be retained by the person as a result of the installation of the new manufacturing equipment or new research and development equipment, or both, and an estimate of the annual salaries of these individuals.

(3) An estimate of the cost of the new manufacturing equipment or new research and development equipment, or both.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, an estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products by the new manufacturing equipment.

With the approval of the state board of tax commissioners, the statement of benefits may be incorporated in a designation application. Notwithstanding any other law, a statement of benefits is a public record that may be inspected and copied under IC 5-14-3-3.

1 (c) The designating body must review the statement of benefits
2 required under subsection (b). The designating body shall determine
3 whether an area should be designated an economic revitalization area
4 or whether the deduction shall be allowed, based on (and after it has
5 made) the following findings:

6 (1) Whether the estimate of the cost of the new
7 manufacturing equipment or new research and
8 development equipment, or both, is reasonable for
9 equipment of that type.

10 (2) With respect to:

11 (A) new manufacturing equipment not used
12 to dispose of solid waste or hazardous waste
13 by converting the solid waste or hazardous
14 waste into energy or other useful products;
15 and

16 (B) new research and development
17 equipment;

18 whether the estimate of the number of individuals
19 who will be employed or whose employment will be
20 retained can be reasonably expected to result from the
21 installation of the new manufacturing equipment or
22 new research and development equipment, or both.

23 (3) Whether the estimate of the annual salaries of
24 those individuals who will be employed or whose
25 employment will be retained can be reasonably
26 expected to result from the proposed installation of
27 new manufacturing equipment or new research and
28 development equipment, or both.

29 (4) With respect to new manufacturing equipment
30 used to dispose of solid waste or hazardous waste by
31 converting the solid waste or hazardous waste into
32 energy or other useful products, whether the estimate
33 of the amount of solid waste or hazardous waste that
34 will be converted into energy or other useful products
35 can be reasonably expected to result from the
36 installation of the new manufacturing equipment.

37 (5) Whether any other benefits about which
38 information was requested are benefits that can be

reasonably expected to result from the proposed installation of new manufacturing equipment or new research and development equipment, or both.

(6) Whether the totality of benefits is sufficient to justify the deduction.

The designating body may not designate an area an economic revitalization area or approve the deduction unless it makes the findings required by this subsection in the affirmative.

(d) Except as provided in subsection (f), an owner of new manufacturing equipment whose statement of benefits is approved before May 1, 1991, is entitled to a deduction from the assessed value of that equipment for a period of five (5) years. Except as provided in subsections (f) and (i), an owner of new manufacturing equipment or new research and development equipment, or both, whose statement of benefits is approved after June 30, 2000, is entitled to a deduction from the assessed value of that equipment for the number of years determined by the designating body under subsection (h). Except as provided in subsections (f) and (g) and in section 2(i)(3) of this chapter, the amount of the deduction that an owner is entitled to for a particular year equals the product of:

(1) the assessed value of the new manufacturing equipment or new research and development equipment, or both, in the year that the equipment is installed; multiplied by

(2) the percentage prescribed in the table set forth in subsection (e).

For purposes of determining the deduction from assessed value under this subsection in a county having a population of more than one hundred five thousand (105,000) but less than one hundred ten thousand (110,000), construction in process as of an assessment date is treated as having been installed to the extent it would have been assessed as new manufacturing equipment or new research and development equipment if it had been installed before that assessment date.

(e) The percentage to be used in calculating the deduction under subsection (d) is as follows:

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
-------------------	------------

1	1st	100%
2	2nd and thereafter	0%
3	(2) For deductions allowed over a two (2) year period:	
4	YEAR OF DEDUCTION	PERCENTAGE
5	1st	100%
6	2nd	50%
7	3rd and thereafter	0%
8	(3) For deductions allowed over a three (3) year period:	
9	YEAR OF DEDUCTION	PERCENTAGE
10	1st	100%
11	2nd	66%
12	3rd	33%
13	4th and thereafter	0%
14	(4) For deductions allowed over a four (4) year period:	
15	YEAR OF DEDUCTION	PERCENTAGE
16	1st	100%
17	2nd	75%
18	3rd	50%
19	4th	25%
20	5th and thereafter	0%
21	(5) For deductions allowed over a five (5) year period:	
22	YEAR OF DEDUCTION	PERCENTAGE
23	1st	100%
24	2nd	80%
25	3rd	60%
26	4th	40%
27	5th	20%
28	6th and thereafter	0%
29	(6) For deductions allowed over a six (6) year period:	
30	YEAR OF DEDUCTION	PERCENTAGE
31	1st	100%
32	2nd	85%
33	3rd	66%
34	4th	50%
35	5th	34%
36	6th	25%
37	7th and thereafter	0%
38	(7) For deductions allowed over a seven (7) year period:	

	YEAR OF DEDUCTION	PERCENTAGE
1		
2	1st	100%
3	2nd	85%
4	3rd	71%
5	4th	57%
6	5th	43%
7	6th	29%
8	7th	14%
9	8th and thereafter	0%

10 (8) For deductions allowed over an eight (8) year period:

	YEAR OF DEDUCTION	PERCENTAGE
11		
12	1st	100%
13	2nd	88%
14	3rd	75%
15	4th	63%
16	5th	50%
17	6th	38%
18	7th	25%
19	8th	13%
20	9th and thereafter	0%

21 (9) For deductions allowed over a nine (9) year period:

	YEAR OF DEDUCTION	PERCENTAGE
22		
23	1st	100%
24	2nd	88%
25	3rd	77%
26	4th	66%
27	5th	55%
28	6th	44%
29	7th	33%
30	8th	22%
31	9th	11%
32	10th and thereafter	0%

33 (10) For deductions allowed over a ten (10) year period:

	YEAR OF DEDUCTION	PERCENTAGE
34		
35	1st	100%
36	2nd	90%
37	3rd	80%
38	4th	70%

1	5th	60%
2	6th	50%
3	7th	40%
4	8th	30%
5	9th	20%
6	10th	10%
7	11th and thereafter	0%

8 (f) Notwithstanding subsections (d) and (e), a deduction under this
9 section is not allowed in the first year the deduction is claimed for new
10 manufacturing equipment or new research and development
11 equipment, or both, to the extent that it would cause the assessed value
12 of all of the personal property of the owner in the taxing district in
13 which the equipment is located (excluding personal property that is
14 assessed as construction in process, **except in a county having a**
15 **population of more than one hundred five thousand (105,000) but**
16 **less than one hundred ten thousand (110,000))** to be less than the
17 assessed value of all of the personal property of the owner in that
18 taxing district (excluding personal property that is assessed as
19 construction in process, **except in a county having a population of**
20 **more than one hundred five thousand (105,000) but less than one**
21 **hundred ten thousand (110,000))** in the immediately preceding year.

22 (g) If a deduction is not fully allowed under subsection (f) in the
23 first year the deduction is claimed, then the percentages specified in
24 subsection (d) or (e) apply in the subsequent years to the amount of
25 deduction that was allowed in the first year.

26 (h) For an economic revitalization area designated before July 1,
27 2000, the designating body shall determine whether a property owner
28 whose statement of benefits is approved after April 30, 1991, is entitled
29 to a deduction for five (5) or ten (10) years. For an economic
30 revitalization area designated after June 30, 2000, the designating body
31 shall determine the number of years the deduction is allowed. However,
32 the deduction may not be allowed for more than ten (10) years. This
33 determination shall be made:

- 34 (1) as part of the resolution adopted under section 2.5 of this
35 chapter; or
- 36 (2) by resolution adopted within sixty (60) days after receiving a
37 copy of a property owner's certified deduction application from
38 the state board of tax commissioners. A certified copy of the

1 resolution shall be sent to the county auditor and the state board
2 of tax commissioners.

3 A determination about the number of years the deduction is allowed
4 that is made under subdivision (1) is final and may not be changed by
5 following the procedure under subdivision (2).

6 (i) The owner of new manufacturing equipment that is directly used
7 to dispose of hazardous waste is not entitled to the deduction provided
8 by this section for a particular assessment year if during that
9 assessment year the owner:

10 (1) is convicted of a violation under IC 13-7-13-3 (repealed),
11 IC 13-7-13-4 (repealed), or IC 13-30-6; or

12 (2) is subject to an order or a consent decree with respect to
13 property located in Indiana based on a violation of a federal or
14 state rule, regulation, or statute governing the treatment, storage,
15 or disposal of hazardous wastes that had a major or moderate
16 potential for harm."

17 Page 83, between lines 41 and 42, begin a new paragraph and insert:

18 "SECTION 88. [EFFECTIVE JANUARY 1, 2002
19 (RETROACTIVE)]: (a) **IC 6-1.1-12.1-4.5, as amended by this act,**
20 **applies only to property taxes first due and payable after**
21 **December 31, 2002.**

22 (b) **This SECTION expires January 1, 2004."**

23 Renumber all SECTIONS consecutively.

(Reference is to HB 1196 as reprinted February 5, 2002.)

and when so amended that said bill do pass.

Committee Vote: Yeas 15, Nays 0.

Borst

Chairperson